

HOUSE BILL 2429

By Moore

AN ACT to amend Tennessee Code Annotated, Title 56,
relative to the issuance or renewal of contracts of
insurance which exclude punitive damages.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-7-121, is amended by designating the existing language as subsection (a) and by adding the following language to be designated as subsection (b):

(b) If an insurer excludes punitive damages, such exclusion shall be stated in a bold font at least twice the size of the font in the main body of the policy. In addition such exclusion shall be clearly communicated by the insurance producer when negotiating directly with a purchaser or prospective purchaser of a particular contract of insurance and further be included in the policy declaration which accompanies the issuance or renewal of any policy of insurance which excludes punitive damages.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it and shall apply to any contract of insurance issued or renewed on or after the effective date of this act.